

# BUDGET WEEK

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HOUSE COMMITTEE ON THE BUDGET  
Majority Caucus • Jim Nussle, *Chairman*

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Summarizing budgetary issues in legislation  
scheduled for the House floor

7 May 2002

Week of 6 May 2002

## SUSPENSION CALENDAR

- 1) **Clarence B. Craft Post Office Building Designation Act** (H.R. 4486).   
This bill has no budget implications.
- 2) **Richard S. Arnold United States Courthouse Designation Act** (H.R. 4028).   
This bill has no budget implications.
- 3) **Alfonse M. D'Amato United States Courthouse Designation Act** (H.R. 4006).   
This bill has no budget implications.
- 4) **Paul Simon Chicago Job Corps Center Designation Act** (S. 378).   
This bill has no budget implications.
- 5) **Harvey W. Wiley Federal Building Designation Act** (H.R. 2911).   
This bill has no budget implications.
- 6) **North American Wetlands Conservation Reauthorization Act** (H.R. 3908).   
This bill reauthorizes funding for projects carried out under the North American Wetlands Conservation Act. Under the Act, the U.S. Fish and Wildlife Service uses funds for activities that include matching grants, cooperative projects, and land acquisition. The bill authorizes \$325 million over 5 years (2002-2007). It does not increase direct spending (spending not subject to annual appropriations) or decrease revenue.
- 7) **To Authorize the Secretary of the Interior to Convey Certain Public Land Within the Sand Mountain Wilderness Study Area in the State of Idaho to Resolve an Occupancy Encroachment Dating Back to 1971** (H.R. 2818).   
This bill authorizes the Secretary of the Interior to convey specified public land (approximately 10.23 acres) within the Sand Mountain Wilderness Study Area in Idaho to the owner of the Sand Hills Resort for the land's fair market value. It does not increase direct spending or decrease revenues.
- 8) **Caribbean National Forest Wild and Scenic Rivers Act of 2002** (H.R. 3954).   
This bill designates Rio Mameyes, Rio de la Mina, and Rio Icacos of the Caribbean National Forest of the Commonwealth of Puerto Rico as components of the National Wild and Scenic Rivers System. This bill has no budget implications.

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9) ***Expressing Regret and Sympathy for the Families of the 4 Canadian Soldiers Who Lost Their Lives on April 17, 2002, in a Friendly-Fire Incident in Southern Afghanistan*** (H.Res. 412).



This resolution has no budget implications.

10) ***Auction Reform Act of 2002*** (H.R. 4560).



This bill would eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting (700 megahertz band).

The 700 megahertz band will remain occupied by television broadcasters until the transfer to digital television is completed. Currently, the auctions are scheduled to start on 19 June 2002. The auction would involve licenses for the use of some of the electromagnetic spectrum currently allocated to television channels 52 through 69. Eliminating the deadline for the auction would provide more time to consider the highest and best use of the spectrum for the benefit of consumers.

The bill directs the Federal Communications Commission [FCC] to issue a report addressing problems in the 800 megahertz spectrum, which pose public safety concerns that could be adversely affected by the premature auctioning of the 700 megahertz band. The bill as amended under suspension will require all auctions to take place before the FCC's auction authority lapses in 2007.

The Congressional Budget Office [CBO] assumes that the auction of these licenses would most likely occur during the 2005-2007 period. Such a delay would shorten the lag between the auction and when bidders could use the frequencies. As reported, the bill would reduce receipts, which are treated as an offset to spending, by \$2.8 billion in fiscal year 2003; by \$2.7 billion from fiscal year 2002 through 2006; and by \$1.4 billion from fiscal year 2003 through fiscal year 2007. The Commerce Committee will amend the bill to delay the timing of the auction which reduces the overall cost of the legislation. *CBO estimates that the amendment will result in \$5.2 billion to the U.S. Treasury during the 2005-2007 period. This would be an increase of \$1.2 billion over the proceeds projected under current law.*

The reported bill and the amendment would exceed the five-year allocation established under the fiscal year 2002 budget resolution, which is currently operative because the Senate has not passed a fiscal year 2003 budget resolution. Relative to the House-passed fiscal year 2003 budget resolution, the reported bill would exceed the Energy and Commerce Committee's allocation for *both* fiscal year 2003 and over 5 years. The amended bill, however, would exceed only exceed its allocation in fiscal year 2003 because it would actually have net savings over 5 years of \$1.2 billion. This bill would violate sections of the Congressional Budget Act. First, it would violate section 302(f), prohibiting the consideration of legislation that causes a committee to exceed its allocation – which occurs under this bill. Second, it would violate section 303, which prohibits the consideration of legislation decreasing revenue in a year for which there is no budget resolution. This bill would reduce revenue in fiscal year 2003. (Although the House has passed a budget resolution for fiscal year 2003, the Senate has not – and therefore there is no budget resolution conference report.) Although the bill causes a decrease in receipts for fiscal years 2002-2006, *the delay in the auction ultimately results in a savings of \$1.2 billion by fiscal year 2007.* The initial reduction in receipts through fiscal year 2006 is a timing issue with the proceeds of the auction.

11) ***Expressing the Sense of the Congress That Public Awareness and Education About the Importance of Health Care Coverage is of the Utmost Priority and That a National Importance of Health Care Coverage Month Should be Established to Promote These Goals*** (H.Con.Res. 271).



This resolution has no budget implications.

12) ***Enhanced Border Security and Visa Entry Reform Act of 2002*** (H.R. 3525).



This bill makes various changes in the immigration laws. Among these, it directs the Attorney General, during each of fiscal years 2002 through 2006, to increase the number of Immigration and Naturalization Service [INS] investigators and inspectors by at least 200 full-time employees over the number authorized by the USA Patriot Act. It waives INS personnel limits. The bill directs U.S. law

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enforcement and intelligence entities to share alien admissibility and deportation related information with INS and the Department of State as an interim measure. It implements an information sharing plan to become effective within 1 year of enactment of the USA PATRIOT ACT. This plan provides for source and privacy protections and criminal penalties for information misuse. CBO estimates that enacting H.R. 3525 would have an insignificant effect on direct spending and receipts because spending would be offset by collections (from enrollment fees for technology-based programs, and fees for machine-readable visas).

### LEGISLATION CONSIDERED UNDER A RULE

- Resolution:** *Disapproving the Action Taken by the President Under Section 203 of the Trade Act of 1974* (H.J.Res. 84) 
- Committee:** Ways and Means
- Summary:** The Trade Act of 1974 allows the President to impose additional tariffs, quotas, or other actions on certain articles if the International Trade Commission [ITC] determines that the import of such articles causes serious injury to a domestic industry. The President may proclaim that different remedies be imposed than those recommended by the ITC. On 5 March 2002, the President transmitted to the Congress his decision to raise tariffs on certain steel imports from 20 March 2002 through 20 March 2005. This resolution disapproves of the President's action and replaces the President's remedies with those recommended by the ITC. CBO estimates that adoption of this resolution (it is a joint resolution, which would require the President's signature) would reduce revenue by \$80 million in 2002, but increase revenues by \$93 million over the 2002-2006 period. These costs reflect the replacement of the President's remedies with those imposed under the resolution.
- Budget Act:** This resolution would violate section 311 of the Congressional Budget Act because it would reduce revenue below the floor established in the fiscal year 2002 budget resolution. Had the budget resolution passed by the House on 20 March 2002 been agreed to by the Senate or deemed to be in force in the House, this joint resolution would not be subject to a point of order.
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- Bill:** *Yucca Mountain Repository Site Approval Act* (H.J. Res. 87) 
- Committee:** Energy and Commerce
- Summary:** H.J. Res. 87 would provide Congressional approval of the site at Yucca Mountain, NV, for the storage of nuclear waste. In accordance with the Nuclear Waste Policy Act [NWPA], such approval would allow the Department of Energy [DOE] to apply for a license with the Nuclear Regulatory Commission to construct a nuclear waste storage facility on the approved site. Congressional approval of the Yucca Mountain site is required before DOE can proceed with its plans to spend about \$10 billion over the next several years to develop the Yucca Mountain site and begin receipt of waste in 2010. Based on information from DOE, CBO estimates that implementing H.J. Res. 87 would require the appropriation of about \$12 billion over the 2003-2012 period to pay for licensing, construction, and waste transportation activities. All such spending is subject to appropriation. The resolution would not affect direct spending or receipts.
- Budget Act:** Though H.J. Res. 87 could increase State and local costs to comply with certain existing Federal requirements, it would not cause direct spending to increase, and hence is not subject to points of order under the Congressional Budget Act.


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**Bill:** *National Defense Authorization Act for Fiscal Year 2003* (H.R. 4546). 

**Committee:** Armed Services

**Summary:** H.R. 4546 authorizes appropriations for the Department of Defense for fiscal year 2003 for armed forces procurement, including aircraft, missiles, weapons and tracked combat vehicles, ammunition, shipbuilding and conversion, and chemical agents and munitions destruction; research, development, test and evaluation; operation and maintenance, including defense working capital funds; the Armed Forces Retirement Home; and active and reserve military personnel, including authorized end strengths. The bill increases, as of 1 January 2003, the rates of military basic pay. It extends certain bonus and special and incentive pay authorities. It authorizes the payment of distribution incentive pay for service in less-than-desirable locations or in difficult-to-fill positions; and certain travel and transportation allowances.

According to CBO, H.R. 4546 would authorize appropriations totaling \$382 billion for fiscal year 2003 and an estimated \$14 billion in additional funding for 2002 for the Department of Defense [DOD] and the Department of Energy. CBO estimates that appropriation of the authorized amounts for 2002 and 2003 would result in additional outlays of \$392 billion over the 2002-2007 period. The bill contains provisions that would raise the costs of discretionary defense programs over the 2004-2007 period requiring appropriations of \$7.0 billion over those 4 years. Certain provisions of the bill would increase direct spending by an estimated \$5.8 billion over the 2003-2007 period, and \$17.7 billion over the 2003-2012 period, primarily from the phase-in of concurrent receipt of retirement annuities with veterans' disability compensation to retirees from the military and the other uniformed services who have service-connected disabilities rated at 60 percent or greater.

**Budget Act:** The fiscal year 2003 budget resolution passed by the House on 20 March 2002 assumed an increase in direct spending as described above. As such, the bill would not be subject to any points of order under it. Because the Senate has not completed a resolution, and because the House-passed resolution has not been deemed to be currently in force, the House is still operating under the budget resolution passed last year. Under that resolution, the legislation would be subject to various points of order, including 302(f) and 303 of the Congressional Budget Act.